



STATE OF WISCONSIN Assembly Journal

Ninety-Ninth Regular Session

FRIDAY, January 16, 2009

The Chief Clerk makes the following entries under the above date:

INTRODUCTION AND REFERENCE OF PROPOSALS

Read first time and referred:

Assembly Bill 1

Relating to: state procurement of products and services from businesses located in this state and setting a goal for local government to purchase a certain percentage of products and services from businesses located in this state.

By Representatives Clark, Molepske, Jr., Bernard Schaber, Benedict, Berceau, Black, Danou, Hixson, Mason, Nelson, Parisi, Pasch, Pope-Roberts, Radcliffe, Richards, Roys, Seidel, Sheridan, Shilling, Sinicki, Smith, Van Akkeren, A. Williams, Zigmunt, Jorgensen and Barca; cosponsored by Senators Plale and Erpenbach.

To committee on **Jobs, the Economy and Small Business**.

Assembly Bill 2

Relating to: state procurement of contractual services.

By Representatives Pocan, Zigmunt, Barca, Benedict, Berceau, Bernard Schaber, Black, Clark, Danou, Fields, Grigsby, Hraychuck, Hubler, Jorgensen, Krusick, Mason, Molepske, Jr., Nelson, Parisi, Pasch, Pope-Roberts, Radcliffe, Richards, Roys, Seidel, Sheridan, Shilling, Sinicki, Smith, Van Akkeren, A. Williams and Young; cosponsored by Senators Wirch, Coggs, Hansen, Lassa, Lehman, Miller, Robson and Sullivan.

To committee on **Jobs, the Economy and Small Business**.

Assembly Bill 3

Relating to: restrictions on the use and sale of fertilizer containing phosphorus and other turf fertilizer and providing a penalty.

By Representatives Black, Bies, Jorgensen, Roys, Tauchen, Clark, Hebl, Hraychuck, Mursau, Parisi, Berceau, Pocan, Pope-Roberts, Knodl, Benedict, Dexter, Hilgenberg, Wood, Hintz, Mason, Molepske, Jr., Van Roy, Hixson, Richards, Sherman, Smith, Hubler, Soletski, Pasch, Ballweg, Lothian and Spanbauer; cosponsored by Senators Miller, Cowles, Holperin, Kreitlow, Lehman, Hansen, A. Lasee,

Jauch, Hopper, Risser, Sullivan, Wirch, Olsen, Erpenbach and Lassa.

To committee on **Natural Resources**.

Assembly Bill 4

Relating to: catch and release bass and muskellunge fishing.

By Representatives Hraychuck, Milroy, Berceau, Bernard Schaber, Clark, Danou, Hubler, Kerkman, Meyer, Suder, Townsend, Zigmunt, Smith, Vruwink, Gunderson and Kaufert; cosponsored by Senators Holperin, Miller, Vinehout, Wirch, Cowles, Leibham and Hansen.

To committee on **Fish and Wildlife**.

COMMITTEE APPOINTMENTS

Each committee is followed by the number of Democrats, Republicans and Independent serving on the committee, meeting day and meeting week. The ranking minority party member of each committee is designated by an asterisk. The Independent member is designated by (I).

Agriculture (6, 5) Thursday (Even)

Vruwink, Amy Sue (Chair)
Radcliffe, Mark (Vice-chair)
Garthwaite, Phil
Jorgensen, Andy
Molepske, Jr., Louis
Danou, Chris
Ott, Alvin *
Nerison, Lee
Murtha, John
Tauchen, Gary
Brooks, Edward

Assembly Organization (5, 3)

Sheridan, Michael (Chair)
Nelson, Thomas
Seidel, Donna
Staskunas, Tony
Barca, Peter
Fitzgerald, Jeff *
Gottlieb, Mark
Suder, Scott

Children and Families (5, 3) Wednesday (Even)

Grigsby, Tamara (Chair)
Seidel, Donna (Vice-chair)
Pope-Roberts, Sony
Sinicki, Christine

Berceau, Terese
Kestell, Steve *
Pridemore, Don
Spanbauer, Richard

Colleges and Universities (7, 5) Wednesday (Even)

Hixson, Kim (Chair)
Smith, Jeff (Vice-chair)
Black, Spencer
Cullen, David
Soletski, James
Hintz, Gordon
Berceau, Terese
Nass, Stephen *
Rhoades, Kitty
Townsend, John
Gottlieb, Mark
Ballweg, Joan

Consumer Protection (5, 4) Wednesday (Odd)

Hintz, Gordon (Chair)
Soletski, James (Vice-chair)
Hixson, Kim
Pope–Roberts, SONDY
Roys, Kelda Helen
Lothian, Thomas *
Gundrum, Mark
Kleefisch, Joel
Spanbauer, Richard

Corrections and the Courts (6, 5) Thursday (Even)

Parisi, Joe (Chair)
Benedict, Chuck (Vice-chair)
Seidel, Donna
Kessler, Frederick
Pope–Roberts, SONDY
Zigmunt, Ted
Van Roy, Karl*
Gundrum, Mark
Kestell, Steve
LeMahieu, Daniel
Brooks, Edward

Criminal Justice (6, 5) Thursday (Even)

Turner, Robert (Chair)
Kessler, Frederick (Vice-chair)
Staskunas, Tony
Hraychuck, Ann
Soletski, James
Pasch, Sandy
Kleefisch, Joel *
Friske, Donald
Kramer, Bill
Brooks, Edward
Ripp, Keith

Education (8, 5) Tuesday (Odd)

Pope–Roberts, SONDY (Chair)
Dexter, Kristen (Vice-chair)
Hilgenberg, Steve
Sinicki, Christine
Hixson, Kim
Smith, Jeff
Krusick, Peggy

Radcliffe, Mark
Davis, Brett *
Nass, Stephen
Townsend, John
Vukmir, Leah
Nygren, John

Education Reform (5, 3) Tuesday (Even)

Williams, Annette Polly (Chair)
Sinicki, Christine (Vice-chair)
Fields, Jason
Cullen, David
Young, Leon
Pridemore, Don *
Vukmir, Leah
Ott, Jim

Elections and Campaign Reform (5, 3) Tuesday (Odd)

Smith, Jeff (Chair)
Soletski, James (Vice-chair)
Kessler, Frederick
Williams, Annette Polly
Roys, Kelda Helen
Stone, Jeff *
Pridemore, Don
Roth, Roger

Energy and Utilities (7, 5) Tuesday (Even)

Soletski, James (Chair)
Zepnick, Josh (Vice-chair)
Staskunas, Tony
Richards, Jon
Steinbrink, John
Parisi, Joe
Zigmunt, Ted
Huebsch, Michael *
Montgomery, Phil
Honadel, Mark
Petersen, Kevin
Zipperer, Rich

Financial Institutions (6, 5) Wednesday (Odd)

Fields, Jason (Chair)
Smith, Jeff (Vice-chair)
Barca, Peter
Zepnick, Josh
Hixson, Kim
Garthwaite, Phil
Newcomer, Scott *
Kaufert, Dean
Huebsch, Michael
Davis, Brett
Kramer, Bill

Fish and Wildlife (6, 4) Wednesday (Even)

Hraychuck, Ann (Chair)
Milroy, Nick (Vice-chair)
Molepske, Jr., Louis
Steinbrink, John
Turner, Robert
Danou, Chris
Gunderson, Scott *
Suder, Scott
Williams, Mary
Ott, Jim

Forestry (3, 2) Thursday (Even)

Sherman, Gary (Chair)
Clark, Fred (Vice-chair)
Milroy, Nick
Friske, Donald *
Mursau, Jeffrey

Health and Healthcare Reform (8, 5) Wednesday (Even)

Richards, Jon (Chair)
Roys, Kelda Helen (Vice-chair)
Benedict, Chuck
Shilling, Jennifer
Vruwink, Amy Sue
Seidel, Donna
Pasch, Sandy
Bernard Schaber, Penny
Vukmir, Leah *
Rhoades, Kitty
Stone, Jeff
Strachota, Pat
Nygren, John

Insurance (6, 4) Thursday (Odd)

Cullen, David (Chair)
Molepske, Jr., Louis (Vice-chair)
Ziegelbauer, Bob
Parisi, Joe
Berceau, Terese
Hebl, Gary
Nygren, John *
Suder, Scott
Vos, Robin
Roth, Roger

Jobs, the Economy and Small Business (8, 5) Tuesday (Even)

Molepske, Jr., Louis (Chair)
Bernard Schaber, Penny (Vice-chair)
Fields, Jason
Hintz, Gordon
Barca, Peter
Krusick, Peggy
Benedict, Chuck
Toles, Barbara
Zipperer, Rich *
Friske, Donald
Van Roy, Karl
Williams, Mary
Strachota, Pat

Judiciary and Ethics (6, 4) Tuesday (Odd)

Hebl, Gary (Chair)
Colon, Pedro (Vice-chair)
Kessler, Frederick
Cullen, David
Richards, Jon
Turner, Robert
Gundrum, Mark *
Kerkman, Samantha
Kramer, Bill
Zipperer, Rich

Labor (6, 3) Wednesday (Odd)

Sinicki, Christine (Chair)

Van Akkeren, Terry (Vice-chair)
Jorgensen, Andy
Benedict, Chuck
Parisi, Joe
Toles, Barbara
Honadel, Mark *
Nass, Stephen
Knodl, Dan

Natural Resources (9, 6) Wednesday (Odd)

Black, Spencer (Chair)
Danou, Chris (Vice-chair)
Molepske, Jr., Louis
Steinbrink, John
Hraychuck, Ann
Hebl, Gary
Mason, Cory
Milroy, Nick
Clark, Fred
Ott, Jim *
Gunderson, Scott
Huebsch, Michael
LeMahieu, Daniel
Mursau, Jeffrey
Nerison, Lee

Public Health (4, 3) Tuesday (Odd)

Benedict, Chuck (Chair)
Pasch, Sandy (Vice-chair)
Dexter, Kristen
Bernard Schaber, Penny
Strachota, Pat *
Vukmir, Leah
Newcomer, Scott

Renewable Energy and Rural Affairs (8, 6) Thursday (Odd)

Jorgensen, Andy (Chair)
Hilgenberg, Steve (Vice-chair)
Radcliffe, Mark
Garthwaite, Phil
Smith, Jeff
Dexter, Kristen
Danou, Chris
Wood, Jeffrey (I)
Tauchen, Gary *
Petrowski, Jerry
Lothian, Thomas
Ballweg, Joan
Davis, Brett
Ripp, Keith

Rules (7, 5)

Nelson, Thomas (Chair)
Sheridan, Michael (Vice-chair)
Staskunas, Tony
Seidel, Donna
Barca, Peter
Richards, Jon
Shilling, Jennifer
Fitzgerald, Jeff *
Gottlieb, Mark
Suder, Scott
Kleefisch, Joel

Williams, Mary

Rural Economic Development (6, 4) Tuesday (Even)

Garthwaite, Phil (Chair)
Jorgensen, Andy (Vice-chair)
Hraychuck, Ann
Clark, Fred
Dexter, Kristen
Wood, Jeffrey (I)
Meyer, Dan *
Davis, Brett
Nerison, Lee
Murtha, John

State Affairs and Homeland Security (4, 3) Thursday (Odd)

Kessler, Frederick (Chair)
Young, Leon (Vice-chair)
Pope–Roberts, Sody
Roys, Kelda Helen
Ballweg, Joan *
Kleefisch, Joel
Knodl, Dan

Tourism, Recreation and State Properties (5, 4) Wednesday (Even)

Van Akkeren, Terry (Chair)
Clark, Fred (Vice-chair)
Schneider, Marlin
Hraychuck, Ann
Hilgenberg, Steve
Kaufert, Dean *
Bies, Garey
Van Roy, Karl
Williams, Mary

Transportation (7, 5) Thursday (Odd)

Steinbrink, John (Chair)
Zigmunt, Ted (Vice-chair)
Vruwink, Amy Sue
Garthwaite, Phil
Fields, Jason
Bernard Schaber, Penny
Sinicki, Christine
Petrowski, Jerry *
Ott, Alvin
Stone, Jeff
Bies, Garey
Ripp, Keith

Urban and Local Affairs (5, 3) Tuesday (Odd)

Berceau, Terese (Chair)
Van Akkeren, Terry (Vice-chair)
Ziegelbauer, Bob
Hintz, Gordon
Parisi, Joe
LeMahieu, Daniel *
Gottlieb, Mark
Spanbauer, Richard

Veterans and Military Affairs (6, 4) Tuesday (Even)

Hilgenberg, Steve (Chair)
Schneider, Marlin (Vice-chair)
Turner, Robert

Hubler, Mary
Sinicki, Christine
Milroy, Nick
Petersen, Kevin *
Petrowski, Jerry
Townsend, John
Meyer, Dan

Ways and Means (6, 4) Thursday (Even)

Ziegelbauer, Bob (Chair)
Hebl, Gary (Vice-chair)
Steinbrink, John
Zepnick, Josh
Toles, Barbara
Wood, Jeffrey (I)
Kerkman, Samantha *
Nass, Stephen
Lothian, Thomas
Knodl, Dan

Workforce Development (5, 4) Thursday (Odd)

Toles, Barbara (Chair)
Hintz, Gordon (Vice-chair)
Seidel, Donna
Zepnick, Josh
Hixson, Kim
Mursau, Jeffrey *
Kestell, Steve
Honadel, Mark
Tauchen, Gary

Joint Committee for Review of Administrative Rules (3, 2)

Zepnick, Josh (Co-chair)
Hubler, Mary (Vice–chair)
Hebl, Gary
LeMahieu, Daniel *
Gunderson, Scott

Joint Committee on Employment Relations (3, 1)

Sheridan, Michael (Co-chair)
Nelson, Thomas
Pocan, Mark
Fitzgerald, Jeff *

Joint Committee on Finance (6, 2)

Pocan, Mark (Co–chair)
Colon, Pedro (Vice–chair)
Mason, Cory
Shilling, Jennifer
Sherman, Gary
Grigsby, Tamara
Vos, Robin *
Montgomery, Phil

Joint Legislative Audit Committee (3, 2)

Barca, Peter (Co-chair)
Jorgensen, Andy (Vice–chair)
Pocan, Mark
Kramer, Bill *
Kerkman, Samantha

Joint Committee on Legislative Organization (3, 2)

Sheridan, Michael (Co-chair)
Nelson, Thomas
Seidel, Donna

Fitzgerald, Jeff *
Gottlieb, Mark

State of Wisconsin
Investment Board
Madison

Joint Survey Committee on Retirement Systems (2, 1)

Hubler, Mary (Co-chair)
Ziegelbauer, Bob (Vice-chair)
Gottlieb, Mark *

January 7, 2009

To the Honorable, the Assembly:

Pursuant to s. 25.17 (14r), Stats., I want to advise you of revisions to SWIB's "Investment Policies, Objectives and Guidelines" approved by the Board of Trustees during the last six months of 2008. These guidelines apply to SWIB's internally managed portfolios. I am sending you electronic copies of the revised guidelines plus a red-lined copy that shows the language added or deleted.

Joint Survey Committee on Tax Exemptions (2, 1)

Hubler, Mary (Co-chair)
Cullen, David (Vice-chair)
Zipperer, Rich *

Many of these changes were made as a result of the prudent investor language that was enacted in [2007 Wisconsin Act 212](#). These changes:

AGENCY REPORTS

State of Wisconsin
Department of Employee Trust Funds
Madison

December 15, 2008

To the Honorable, the Assembly:

I am pleased to present the Comprehensive Annual Financial Report (CAFR) of the Wisconsin Department of Employee Trust Funds (ETF) for the year ended December 31, 2006. Management is responsible for both the accuracy of the data and the completeness and fairness of the presentation. I hope you will find this report useful and informative.

This CAFR contains information on the following benefit plans administered by ETF:

- Wisconsin Retirement System
- Employee Reimbursement Accounts
- Group Health Insurance
- Deferred Compensation
- Group Life Insurance
- Accumulated Sick Leave Conversion Credit
- Income Continuation Insurance
- Commuter Benefits
- Duty Disability
- Long-Term Disability Insurance

This report is intended to provide comprehensive and reliable information about ETF, the WRS, and other benefit plans and trust funds administered by the Department. I would like to express my appreciation to the Governor, members of the legislature, members of the boards, staff, employers, participants, and all those whose efforts and interest combine to assure the successful operation of our system, while protecting the integrity of the trust funds.

Sincerely,
DAVID A. STELLA
Secretary

- Replace references to the limitations on external management with a discussion of how SWIB will determine the optimal structure for externally managed assets. The statutes previously restricted external management in separate accounts to 20% of the assets, which limited the Board's ability to manage the funds in the most prudent way.

- Remove limitations on derivatives, which had previously been imposed by reference to the insurance statutes, and allow expanded authority for the Global Fixed Income Portfolio. This expanded authority allows the portfolio manager to use derivatives, within established limits, to manage credit and currency risk as well as the opportunity to short certain currencies. The guidelines also make it clear that all investments, including derivatives, are subject to risk measurement and monitoring. The Investment Committee must review all derivative strategies before they are implemented.

- Authorize trading of equity options on exchanges in developed countries other than the United States.

- Establish an internally managed currency overlay strategy for the internal and external international equity portfolios. This will allow active management of the currency risks in these portfolios and thereby separate the currency risk from the risk associated with asset allocation or security selection. The guidelines make a distinction between the positions permitted for major currencies and the remaining currencies in the index and include risk parameters for the aggregate overlay program.

- Eliminate the restriction that had prohibited the government/credit portfolio from establishing a leveraged position. With this change, the portfolio manager will no longer have to hold cash equal to the notional amount of any derivative position but will be required to provide for adequate margin for the derivative holdings in the portfolio.

- Establish an internally managed multi-asset strategy that provides for broad investment parameters for individual investment strategies but done within a defined vetting process and stated risk and leverage limits. The guidelines also require the Internal Auditor to review the investment strategy guidelines and the staff to report to the Board as the strategies are adopted and implemented.

In addition to the items listed above, the Board made other less significant changes to the guidelines that reduce active risk, provide more oversight and incorporate changes made by the Board, such as the asset allocations for 2009.

The reporting requirements in the statutes appear to only apply to internal management and not to contracts we initiate with external managers or changes we make to existing contracts. However, because of the significant amount of assets managed by external managers, we decided in 2006 to inform you of any new contracts with external managers or changes to existing contracts. In keeping with that decision, we want to advise you that we amended the contract for a global fixed income portfolio to clarify investments in sovereign and non-sovereign debt instruments. We also

changed the strategy with one external manager from core to growth focus and changed the structure of the portfolio from a commingled fund to a separate account, which reduced the management costs. Finally, SWIB signed a contract with a small cap equities fund of funds manager. This manager in turn contracts with a number of small cap managers, which gives SWIB a more diversified exposure to the small company market. All of these changes will further diversify the WRS holdings.

If you have any questions on any of the changes, please contact me at 266-9451 or Sandy Drew at 261-0182.

Sincerely,
KEITH BOZARTH
Executive Director